



**North Dakota Public Employees Retirement System  
E-Mail Memorandum  
2003-9**

**TO:** PAYROLL PERSONNEL – Participating Employers in the FlexComp Plan not on the State of North Dakota PeopleSoft Payroll System

**FROM:** Kathy Allen NDPERS Benefit Programs Manager, Sharon Schiermeister, NDPERS Accounting & IT Manager, Sharon Ellsworth, NDPERS FlexComp Program Coordinator

**DATE:** September 24, 2003

**SUBJECT:** FLEXCOMP 2004 PLAN YEAR

The FlexComp Plan annual enrollment begins October 1 and ends November 17, 2003, for participation in the 2004 Plan Year. Effective with the 2004 Plan Year, PeopleSoft Flexible Spending Account Administration will replace the software currently being used to administer the FlexComp Plan. This will result in several administrative changes that will affect you and the participants. The following outlines these changes:

**EMPLOYEE RECORDS**

Payroll personnel whose payroll system is not integrated with the ND Office of Management & Budget Central Payroll System will continue to have the responsibility to set up the complete FlexComp record for each employee who elects to participate in the plan. Payroll will sign Part G of the enrollment form certifying that the employee meets the eligibility requirements and has been set up for the benefits applied for on the form. For your information, a sample of the form is attached as a separate document titled SFN 17759 Annual FlexComp Enrollment 2004 Plan Year. As in the past, NDPERS will be responsible for the records retention for the program. Payroll should retain a photocopy of the form for their records and send the original to NDPERS. Since NDPERS will also be setting up the employee record, it will be helpful if payroll would forward agreements to our office as they are received throughout the enrollment season.

## **IDENTIFICATION NUMBER**

NDPERS will no longer use the employee's social security number as their identification number. An employee identification number will be issued to employees by NDPERS upon receipt of their enrollment form.

## **DIRECT DEPOSIT OPTION**

Direct Deposit of FlexComp reimbursement checks will now be available to employees. The employee must complete a direct deposit form. This form is currently being developed and will be on our website October 1. If selected, direct deposit will apply to all reimbursement accounts specified on the application.

## **CONFIRMATION OF ELECTION OPTIONS**

A confirmation letter will be mailed to all participants the second week in December. This letter will detail how NDPERS enrolled the employee in medical spending and/or dependent care based on the information they provided on the form. (The confirmation letter will not detail the employee's pre-tax premiums for eligible employer sponsored insurance programs). Employees will be instructed to review the information and contact the NDPERS office immediately if they notice any discrepancy. However, this is not an opportunity for employees to make last minute changes to their elections.

PERS has recognized in the past that employees may need to make changes to their election after the annual enrollment season ends. Under federal law, changes can be made up to the day before the start of the new plan year. Therefore, PERS has allowed changes if the respective payroll department could accommodate the change and enter the payroll deduction data prior to the start of the plan year on January 1. PERS understands that the ability of each payroll entity to accommodate these changes will vary and, therefore, this year we will leave the decision to allow employees to make changes to their elections after the annual enrollment season ends up to the discretion of each agency's payroll department. If you elect to allow these changes, you must follow the procedures outlined under the "Employee Records" section of this memo. Also, see the attachment FlexComp Calendar outlining key deadline dates.

**OVER-THE-COUNTER DRUGS AND MEDICINES ARE NOW  
REIMBURSABLE ITEMS FROM AN EMPLOYEE'S MEDICAL SPENDING  
ACCOUNT**

Please route the attachment NDPERS Medical Spending Reimbursement Guide for Over-the-Counter Drugs and Medicines to your employees as soon as possible. If you are not the individual responsible for routing this information, please forward this to the appropriate personnel.

If you have any questions, please contact Sharon Ellsworth, FlexComp Program Coordinator at 701-328-3910 or 1-800-803-7377.